

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6028

BILL NUMBER: SB 50

NOTE PREPARED: Oct 15, 2008

BILL AMENDED:

SUBJECT: Concentrated Animal Feeding Operation Construction.

FIRST AUTHOR: Sen. Paul

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes a three-year moratorium on the start of construction of concentrated animal feeding operations (CAFOs).

Effective Date: July 1, 2009.

Explanation of State Expenditures: There would be little reduction in expenditures for the Department of Environmental Management (IDEM). IDEM travels to appear before local governments considering applications for confined animal feeding operations on a semi-regular basis as part of the permit program – even when no permit is under consideration.

Background: IDEM's Office of Land Quality oversees confined animal feeding operations. In 2008, 2,211 operations had an IDEM permit to operate confined animal feeding.

Explanation of State Revenues: IDEM received 125 applications to construct a confined animal feeding facility in FY 2008. Of this total, 75 were applications to construct a concentrated animal feeding operation, which confines a large number of animals to a small area, usually in buildings. (For example, a large CAFO contains 1,000 or more cattle or 125,000 or more chickens.) Of the CAFO applications, 68 were general permit construction applications which require a \$150 fee; 7 were individual permit construction applications which require a \$250 fee. (Individual permits are tailored to a particular discharger.) The permits authorize discharges within a geographical area.

The moratorium would mean that IDEM could not accept applications for CAFO construction permits.

Consequently, IDEM would not collect fees associated with the applications. If the number of applications without the moratorium would have remained constant, the revenue decrease would equal about \$12,000 per year.

Fee revenue is deposited in the Environmental Management Permit Operation Fund, which is used to finance IDEM administrative operations associated with issuing permits.

Explanation of Local Expenditures: The specific impact is not expected to be significant. The bill could result in a decrease in administrative expenditures for local units involved in approving operations.

Explanation of Local Revenues: The specific impact is not expected to be significant. The bill could result in a reduction in the collection of filing fees or public notification costs.

State Agencies Affected: IDEM.

Local Agencies Affected: Counties; planning and zoning authorities.

Information Sources: FY 2008 Legislative Report on CFO/CAFO Activities, IDEM.

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